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# HOUSE CONCURRENT RESOLUTION

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REQUESTING THE PUBLIC UTILITIES COMMISSION TO PROTECT THE PUBLIC  
INTEREST IN REVIEWING THE PROPOSED ACQUISITION OF HAWAIIAN  
ELECTRIC INDUSTRIES BY NEXTERA ENERGY, INC.

1 WHEREAS, NextEra Energy, Inc.'s subsidiary, Florida Power  
2 and Light, is the largest electrical power utility in Florida;  
3 and  
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5 WHEREAS, the company's business model in Florida  
6 principally relies on selling power generated by older nuclear  
7 power plants and those using natural gas, with relatively little  
8 renewable energy, as reported by the Fort Lauderdale Sun  
9 Sentinel; and  
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11 WHEREAS, concerns have been raised that the company has a  
12 history of opposing competition and leveraging political  
13 influence to favor the interests of the company's shareholders  
14 over the interests of ratepayers; and  
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16 WHEREAS, the company has aggressively blocked competition  
17 from rooftop solar adoption in Florida, as reported by the  
18 Associated Press; and  
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20 WHEREAS, the company has spent millions of dollars in  
21 political contributions and funding for campaigns to block  
22 federal and state regulations that would promote utility  
23 competition, as reported by the Washington Post; and  
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25 WHEREAS, the company is one of the top political donors in  
26 Florida, giving more than \$7,000,000 in political contributions  
27 in the 2014 election cycle alone, as reported by the Tampa Bay  
28 Times; and  
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1 WHEREAS, Florida utilities have been reported to hire, on  
2 average, one lobbyist for every two legislators, as reported by  
3 the Orlando Sentinel; and  
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5 WHEREAS, the company has a history of giving former top  
6 staffers and public utility commissioners lucrative utility  
7 jobs, as evidenced by its hiring of five former Florida public  
8 utility commissioners, as reported by the Tampa Bay Times; and  
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10 WHEREAS, the company used its political clout to remove  
11 Florida public utility commissioners who denied a widely  
12 publicized rate increase that would benefit the utility, as  
13 reported by the Citrus County Chronicle and the Orlando  
14 Sentinel; and  
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16 WHEREAS, the company successfully lobbied to reduce energy  
17 efficiency goals in Florida from two-hundred and twenty-nine  
18 gigawatt hours to four gigawatt hours by 2019, as reported by  
19 the Tampa Bay Times; and  
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21 WHEREAS, public interest groups have raised concerns about  
22 the company's shifting to Florida ratepayers the significant  
23 financial risk and costs associated with the construction of  
24 nuclear power plants, renewable energy projects, and fracking  
25 for natural gas, as reported by The Palm Beach Post and the  
26 Tampa Bay Times; and  
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28 WHEREAS, NextEra Energy, Inc., has begun a process to take  
29 over Hawaii's local utilities on Oahu, Maui, and Hawaii islands;  
30 and  
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32 WHEREAS, after announcing its proposed takeover of Hawaii's  
33 utilities, NextEra Energy, Inc., has acted in a manner that does  
34 not reflect the good faith that had been promised to ensure that  
35 the acquisition would benefit Hawaii's ratepayers; and  
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37 WHEREAS, the utilities have aggressively opposed virtually  
38 all stakeholder participation in the Public Utilities Commission  
39 docket proceeding regarding the proposed takeover; and  
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41 WHEREAS, once stakeholders were admitted to the Public  
42 Utilities Commission proceeding, the utilities vigorously  
43 proposed limiting discovery on the merger proceedings to the  
44 detriment of broader public transparency and oversight; and



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2 WHEREAS, the utilities announced their intention to prevent  
3 solar customers from interconnecting to the electrical grid  
4 unless the Public Utilities Commission enacted sweeping policy  
5 reforms benefiting the utility; and  
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7 WHEREAS, the Division of Consumer Advocacy of the  
8 Department of the Commerce and Consumer Affairs insists  
9 extending the procedural schedule beyond December 3, 2015 in  
10 order to ensure that there will be adequate time for the  
11 Consumer Advocate and all 28 intervenors to review and analyze  
12 the proposed merger application; and  
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14 WHEREAS, the modern utility business model, which adapts to  
15 new technology and distributed generation, is moving away from  
16 the vertically integrated business model of NextEra Energy,  
17 Inc., and toward making utilities the transmitters of power,  
18 rather than the generators of it; now, therefore,  
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20 BE IT RESOLVED by the House of Representatives of the  
21 Twenty-eighth Legislature of the State of Hawaii, Regular  
22 Session of 2015, the Senate concurring, that the Public  
23 Utilities Commission is requested to protect the public interest  
24 in reviewing the proposed acquisition of Hawaiian Electric  
25 Industries by NextEra Energy, Inc., to determine:  
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27 (1) Whether the proposed transaction is in the public  
28 interest, including:  
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30 (A) Whether approval of the proposed transaction  
31 would be in the best interests of the State's  
32 economy and the communities served by the  
33 Hawaiian Electric Companies;  
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35 (B) Whether the proposed transaction, if approved,  
36 provides significant, quantifiable benefits to  
37 the Hawaiian Electric Companies' ratepayers in  
38 both the short and the long term beyond those  
39 proposed by the Hawaiian Electric Companies in  
40 recent regulatory filings;  
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42 (C) Whether the proposed transaction will affect the  
43 ability of the Hawaiian Electric Companies'



employees to provide safe, adequate, and reliable service at reasonable cost;

(D) Whether the proposed financing and corporate restructuring proposed in the application is reasonable;

(E) Whether adequate safeguards exist to prevent cross-subsidization of any affiliates and to ensure the Public Utilities Commission's ability to audit the books and records of the Hawaiian Electric Companies, including affiliate transactions;

(F) Whether adequate safeguards exist to protect the Hawaiian Electric Companies' ratepayers from any business and financial risks associated with the operations of NextEra Energy, Inc., or any of its affiliates;

(G) Whether the proposed transaction, if approved, will enhance or detrimentally affect the State's clean energy goals; and

(H) Whether the transfer, if approved, would potentially diminish competition in Hawaii's various energy markets and, if so, what regulatory safeguards are required to mitigate such adverse impacts;

(2) Whether the applicants are fit, willing, and able to properly provide safe, adequate, and reliable electric service at the lowest reasonable cost in both the short and the long term, including:

(A) Whether the proposed transaction, if approved, will result in more affordable electric rates for the customers of the Hawaiian Electric Companies;

(B) Whether the proposed transaction, if approved, will result in an improvement in service and reliability for the customers of the Hawaiian Electric Companies;



1 (C) Whether the proposed transaction, if approved,  
2 will improve the Hawaiian Electric Companies'  
3 management and performance; and  
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5 (D) Whether the proposed transaction, if approved,  
6 will improve the financial soundness of the  
7 Hawaiian Electric Companies;

8 (3) Whether the proposed transaction, if approved, would  
9 diminish, in any way, the Public Utilities  
10 Commission's current regulatory authority over the  
11 Hawaiian Electric Companies, particularly in light of  
12 the fact that the ultimate corporate control of the  
13 Hawaiian Electric Companies will lie outside the  
14 State;  
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16 (4) Whether the financial size of the Hawaiian Electric  
17 Companies relative to the other affiliates of NextEra  
18 Energy, Inc., would result in a diminution of  
19 regulatory control by the Public Utilities Commission;  
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21 (5) Whether NextEra Energy, Inc.; Florida Power & Light  
22 Company; or any other affiliate has been subject to  
23 compliance or enforcement orders issued by any  
24 regulatory agency or court;  
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26 (6) Whether any conditions are necessary to ensure that  
27 the proposed transaction is not detrimental to the  
28 interests of the Hawaiian Electric Companies'  
29 ratepayers or the State and to avoid any adverse  
30 consequences and, if so, what conditions are  
31 necessary; and  
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33 (7) Whether NextEra Energy, Inc., is likely to influence  
34 public policy to benefit ratepayers or the company  
35 itself; and  
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37 BE IT FURTHER RESOLVED that the Public Utilities Commission  
38 is requested to consider, at a minimum, imposing strict  
39 conditions to ensure the bedrock principles of:  
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41 (1) Reliability;

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43 (2) Reasonable rates;



1  
2 (3) Competition and customer choice; and  
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4 (4) Protecting local jobs and economic benefits to the  
5 State; and  
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7 BE IT FURTHER RESOLVED that the Public Utilities Commission  
8 is urged to adopt the recommendation of the Consumer Advocate  
9 and establish a procedural schedule that would have the  
10 regulatory review process completed by June 2016 to allow for a  
11 complete and thorough review of the concerns raised by the  
12 merger application docket; and  
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14 BE IT FURTHER RESOLVED that the Public Utilities Commission  
15 is requested to submit findings and recommendations, including  
16 any proposed legislation, to the House of Representatives not  
17 later than twenty days prior to the convening of the Regular  
18 Session of 2017; and  
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20 BE IT FURTHER RESOLVED that a certified copy of this  
21 Concurrent Resolution be transmitted to the Chairperson of the  
22 Public Utilities Commission.  
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